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INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE
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SUBJECT: Global Economy: Financial market crisis - Sao Paulo Media Reaction

Title - The crisis and its long-term corollaries

Article in business-oriented Valor Economico (12-01) states: "From a short-term perspective, the crisis has been solved. The corrective measures are being adopted.... What one can affirm, without any great risk, is that capitalism will never be the same. Among the probable changes we will see is strict regulation of the financial sector....controlling the abuse of executives who made fortunes through high salaries and participation in the profits.... Rules should be created to avoid that and with justifiable measures intended to correct the economic crisis that resulted in gains for the owners and controllers of poorly-managed financial institutions.... What happens to underdeveloped countries in Latin America? They should go beyond the simple institutional reforms proposed by the recently-launched Extended Washington Consensus, with the state taking the lead of long-term economic strategies aimed at eliminating economic backwardness as fast as possible."

White